GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3462
ANSWERED ON:20.08.2004
BOOSTING INDUSTRIAL PRODUCTION
Choudhary Shri Nikhil Kumar

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there has been sudden decline in the industrial production of the consumers goods during the last five months;

(b) if so, the reasons therefor; and

(c) the steps being taken by the Government to increase industrial production?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (Shri E.V.K.S. ELANGOVAN)

(a) & (b): As per the latest data on use based classification of Index of Industrial Production (IIP) released by Central Statistical Organisation (CSO), the overall growth rates in output of consumer goods sector have fluctuated. Growth rate of the sector along with that of its sub-sectors for the five months February to June of 2003 and 2004 respectively are indicated in the Table below. Fluctuation in performance is an outcome of a number of factors, which among others include demand and supply, relative prices, and availability of substitutes.

Month-wise Growth Rate (in %) of IIP: Use Based Classification

(Base 1993-94=100)

Year	Consumer Goods	Consumer Durable Goods	Consumer Non-durable Goods
Weightage in IIP (%)	(28.7)	(5.4)	(23.3)
February 2003	8.2	(-)8.3	13.4
2004	3.0	17.4	(-)0.7
March 2003	3.9	(-)12.2	9.3
2004	6.3	23.3	1.6
April 2003	7.1	0.4	9.1
2004	6.3	10.7	5.1
May 2003	14.2	11.4	15.1
2004	3.1	8.5	1.4
June 2003	6.8	0.3	9.0
2004	8.4	14.1	6.6

Source : Central Statistical Organisation

(c) : Government has put in place various policies to promote industrial growth. These include delicensing of industrial capacity, liberalisation of foreign trade regime and rationalisation of customs duty, excise duty and corporation taxes. Further, Union Budget for 2004-05 has made number of announcements, which will have a favourable impact on industrial growth. These include setting up of National Manufacturing Competitiveness Council to suggest measures to enhance competitiveness in the manufacturing sector, establishment of the Investment Commission to woo and facilitate both domestic and foreign businesses to invest in India and rationalisation of excise and customs duties. Renewed focus on investment and infrastructure and expanded employment programme would inject purchasing power into the economy and help increase in demand for consumer goods.